

AMENDED IN ASSEMBLY APRIL 25, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 690

Introduced by Assembly Member Solorio

February 17, 2011

An act to amend Sections 1758.6, 1758.61, 1758.62, 1758.63, 1758.64, 1758.65, 1758.66, 1758.661, 1758.67, 1758.68, 1758.69, 1758.691, and 1758.692 of, ~~and to repeal Section 1758.693 of,~~ the Insurance Code, relating to portable electronics insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 690, as amended, Solorio. Portable electronics insurance.

(1) Existing law provides for the Insurance Commissioner to issue a communications equipment insurance agent license to a communications equipment vendor, as defined, authorizing the vendor to sell or offer to its customers insurance covering communications equipment and the sale or provision of services for communications equipment. Existing law authorizes employees and franchisees of the vendor to be listed as endorsees on the license for the purpose of selling or offering communications equipment insurance under the authority of the agent's license. Existing law imposes certain requirements on the licensees and endorsees with respect to training and other related matters. Existing law makes it a crime to sell or offer for sale communications equipment insurance without a production agency license.

This bill would revise and recast the above provisions by deleting *the term* communications equipment and replacing it with *the term* portable electronics, as defined. The bill would authorize *endorsees, defined as* employees and authorized representatives of the portable electronics

vendor, to sell or offer portable electronics insurance pursuant to the authority of the vendor's portable electronics insurance agent license, as provided. The bill would also make changes to vendor reporting, ~~employee and authorized representative~~ *endorsee* compensation, and recordkeeping requirements, and would expand the ~~portable electronics insurance types of products for which a license to include the sale or provision of accessories related to the use of portable electronics is required in order to sell portable electronics insurance.~~

Because this bill would expand the scope of a crime by expanding the scope of the products for which portable electronics insurance license is required, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1758.6 of the Insurance Code is amended
2 to read:

3 1758.6. ~~A~~*No* portable electronics vendor shall ~~not~~ offer or sell
4 any form of portable electronics insurance in this state unless that
5 person is licensed as an insurance agent or broker pursuant to
6 Article 3 (commencing with Section 1631) or has complied with
7 the requirements of this article and has been issued a license by
8 the commissioner as provided in this article.

9 SEC. 2. Section 1758.61 of the Insurance Code is amended to
10 read:

11 1758.61. The commissioner may issue to an applicant that has
12 complied with the requirements of this article a portable electronics
13 insurance agent license that authorizes the licensee and its
14 ~~employees and authorized representatives~~ *endorses* to offer or
15 sell insurance in connection with, and incidental to, the sale of
16 portable electronics or the sale or provision of accessories or
17 services related to the use of portable electronics.

18 SEC. 3. Section 1758.62 of the Insurance Code is amended to
19 read:

1 1758.62. (a) An applicant for a portable electronics insurance
2 agent license under this article shall submit all of the following to
3 the commissioner:

4 (1) A written application for licensure, signed by the applicant
5 or an officer of the applicant, in the form prescribed by the
6 commissioner.

7 (2) A certificate by the insurer that is to be named in the portable
8 electronics insurance agent license, stating that the insurer has
9 satisfied itself that the named applicant is trustworthy and
10 competent to act as its insurance agent limited to this purpose and
11 that the insurer will appoint the applicant to act as its agent to
12 transact the kind or kinds of insurance that are permitted by this
13 article, if the portable electronics insurance agent license applied
14 for is issued by the commissioner. The certification shall be
15 subscribed by an officer or managing agent of the insurer on a
16 form prescribed by the commissioner.

17 (3) An application fee, and for each license period thereafter, a
18 renewal fee, in an amount or amounts determined by the
19 department as sufficient to defray the department's actual cost of
20 processing the application or renewal and implementing this article.
21 The limitation on fee increases of 10 percent without prior approval
22 of the Legislature set forth in Section 12978 shall not apply to the
23 application or renewal fee set forth in this subdivision during the
24 years 2003, 2004, and 2005.

25 (b) Notwithstanding any other provision of law to the contrary,
26 the provisions set forth in Sections 1667, 1668, 1668.5, 1669, 1670,
27 1738, and 1739 apply to any application for or issuance of a license
28 pursuant to this article.

29 (c) Costs associated with any enforcement action or investigation
30 shall be paid for by the person or organization licensed pursuant
31 to this article.

32 SEC. 4. Section 1758.63 of the Insurance Code is amended to
33 read:

34 1758.63. ~~(a) An employee or authorized representative~~
35 ~~endorsee~~ of a portable electronics vendor that has been issued a
36 portable electronics insurance agent license pursuant to this article
37 may sell or offer insurance products under the authority of the
38 vendor's portable electronics insurance agent license if all of the
39 following conditions have been met:

1 ~~(1) The employee or authorized representative is 18 years of~~
2 ~~age or older.~~

3 ~~(2) The portable electronics vendor, at the time it submits its~~
4 ~~portable electronics insurance agent's license application pursuant~~
5 ~~to Section 1758.62, also establishes a list of all locations in this~~
6 ~~state at which it offers coverage under a policy of portable~~
7 ~~electronics insurance. The list shall be maintained by the portable~~
8 ~~electronics vendor in a form prescribed by, or format acceptable~~
9 ~~to, the commissioner. The list shall be maintained by the portable~~
10 ~~electronics vendor and made available to the commissioner for~~
11 ~~review and inspection upon request.~~

12 ~~(3) The portable electronics vendor submits to the commissioner~~
13 ~~with its initial portable electronics insurance agent license~~
14 ~~application and annually thereafter a certification, subscribed by~~
15 ~~an officer of the company on a form prescribed by the~~
16 ~~commissioner, stating all of the following:~~

17 ~~(A) The number of locations at which the portable electronics~~
18 ~~vendor offers insurance products under the authority of the portable~~
19 ~~electronics insurance agent license in this state for the applicable~~
20 ~~period.~~

21 ~~(B) A statement that no person other than an employee or~~
22 ~~authorized representative of the portable electronics vendor sells~~
23 ~~or offers insurance on its behalf.~~

24 ~~(C) That all employees or authorized representatives offering~~
25 ~~insurance have completed training as required by this article.~~

26 ~~(b) Each portable electronics vendor licensed pursuant to this~~
27 ~~article shall provide for the training of its employees and authorized~~
28 ~~representatives under a program developed by a licensed fire and~~
29 ~~casualty broker or agent prior to allowing its employees and~~
30 ~~authorized representatives to offer or sell insurance products. The~~
31 ~~training shall meet the following minimum standards:~~

32 ~~(1) Each employee and authorized representative shall receive~~
33 ~~instruction about the types of insurance specified in subdivision~~
34 ~~(d) of Section 1758.69 that are offered for sale to prospective~~
35 ~~customers.~~

36 ~~(2) Each employee and authorized representative shall receive~~
37 ~~training about ethical sales practices.~~

38 ~~(3) Each employee and authorized representative shall receive~~
39 ~~training about the disclosures to be given to prospective customers~~
40 ~~pursuant to Section 1758.66.~~

1 ~~(e) The training materials used by or on behalf of the portable~~
2 ~~electronics vendor shall be submitted to the department by the~~
3 ~~licensed property or casualty agent or broker that develops the~~
4 ~~materials at the time the licensee applies for its portable electronics~~
5 ~~insurance agent license. Any changes to previously submitted~~
6 ~~training materials shall be submitted to the department with the~~
7 ~~changes highlighted at least 30 days prior to their use by the~~
8 ~~licensee. Training materials and changes to those materials~~
9 ~~submitted to the department pursuant to this subdivision shall be~~
10 ~~deemed approved for use by the company unless it is notified by~~
11 ~~the department to the contrary. Failure by the portable electronics~~
12 ~~insurance agent licensee to submit training materials or changes~~
13 ~~for department review or use of unapproved or disapproved training~~
14 ~~materials shall constitute grounds for denial of an application for~~
15 ~~a license, nonrenewal of a license, or suspension of a license, as~~
16 ~~appropriate.~~

17 ~~(d) The retraining of employees and authorized representatives~~
18 ~~shall be conducted whenever there is a material change in the~~
19 ~~insurance products sold that requires modification of the training~~
20 ~~materials, but in no event less frequently than every two years for~~
21 ~~each employee and authorized representative.~~

22 ~~(a) The portable electronics vendor, at the time it submits its~~
23 ~~portable electronics insurance agent's license application pursuant~~
24 ~~to Section 1758.62, also establishes a list of all locations in this~~
25 ~~state at which it offers coverage under a policy of portable~~
26 ~~electronics insurance. The list shall be maintained by the portable~~
27 ~~electronics vendor in a form prescribed by, or format acceptable~~
28 ~~to, the commissioner and shall be updated annually. The list shall~~
29 ~~be maintained by the portable electronics vendor and made~~
30 ~~available to the commissioner for review and inspection upon~~
31 ~~request.~~

32 ~~(b) Each portable electronics vendor licensed pursuant to this~~
33 ~~article shall provide for the training of its endorsees under a~~
34 ~~program developed by a licensed fire and casualty broker or agent~~
35 ~~prior to allowing its endorsees to offer or sell insurance products.~~
36 ~~The training shall meet the following minimum standards:~~

37 ~~(1) Each endorsee shall receive instruction about the types of~~
38 ~~insurance specified in subdivision (e) of Section 1758.69 that are~~
39 ~~offered for sale to prospective customers.~~

1 (2) *Each endorsee shall receive training about ethical sales*
2 *practices.*

3 (3) *Each endorsee shall receive training about the disclosures*
4 *to be given to prospective customers pursuant to Section 1758.66.*

5 (4) *The retraining of endorsees shall be conducted whenever*
6 *there is a material change in the insurance products sold that*
7 *requires modification of the training materials, but in no event*
8 *less frequently than every three years for each endorsee.*

9 SEC. 5. Section 1758.64 of the Insurance Code is amended to
10 read:

11 ~~1758.64. (a) The manager at each location of a portable~~
12 ~~electronics vendor or a franchisee of a portable electronics vendor~~
13 ~~licensed pursuant to this article, or the direct supervisor of the~~
14 ~~vendor's employees or authorized representatives at each location~~
15 ~~or region shall be responsible for the supervision of each employee~~
16 ~~or authorized representative at that location or in that region. Each~~
17 ~~licensee shall maintain a list of who the manager or supervisor is~~
18 ~~at each location or region for the purposes of this article. The list~~
19 ~~shall be maintained by the portable electronics vendor and shall~~
20 ~~be made available to the commissioner for review and inspection~~
21 ~~upon request.~~

22 ~~(b) An employee or authorized representative may act~~

23 ~~1758.64. An endorsee may act on behalf of and under the~~
24 ~~supervision of the portable electronics insurance agent in matters~~
25 ~~relating to transacting insurance under that agent's license. The~~
26 ~~conduct of an employee or authorized representative endorsee of~~
27 ~~a portable electronics insurance agent acting within the scope of~~
28 ~~employment or agency shall be deemed the conduct of the portable~~
29 ~~electronics insurance agent for purposes of this article.~~

30 SEC. 6. Section 1758.65 of the Insurance Code is amended to
31 read:

32 ~~1758.65. (a) If a licensee or its employee or authorized~~
33 ~~representative endorsee violates any provision of this article or~~
34 ~~any other provision of this code, the commissioner may do any of~~
35 ~~the following:~~

36 (1) After notice and hearing, suspend or revoke the license of
37 the portable electronics insurance agent.

38 (2) After notice and hearing, impose fines on the portable
39 electronics insurance agent for its conduct or that of its employees
40 or authorized representatives *endorsees*.

1 (3) After notice and hearing, impose other penalties that the
2 commissioner deems necessary and convenient to carry out the
3 purpose of this code, including suspending the privilege of
4 transacting portable electronics insurance pursuant to this article
5 at specific business locations where violations have occurred,
6 imposing fines on the portable electronics insurance agent, and
7 suspending or revoking the ability of individual ~~employees or~~
8 ~~authorized representatives~~ *endorsees* to act under the vendor's
9 license.

10 (b) If any person sells insurance in connection with, or incidental
11 to, the sale of portable electronics or the sale or provision of
12 accessories or services related thereto, or holds himself or herself
13 or an organization out as a portable electronics insurance agent
14 without obtaining the license required by this article, or as being
15 licensed pursuant to ~~Article 3 (commencing with Section 1631)~~
16 *Chapter 5 (commencing with Section 1621)* without obtaining that
17 license, the commissioner may issue a cease and desist order
18 pursuant to Section 12921.8.

19 (c) Notwithstanding any other provision of law to the contrary,
20 the provisions of Section 1748.5 are applicable to both the
21 organization issued a license pursuant to this article and any
22 ~~employee or authorized representative selling or offering to sell~~
23 ~~portable electronics insurance pursuant to that license.~~ *endorsee*
24 *to that license.*

25 SEC. 7. Section 1758.66 of the Insurance Code is amended to
26 read:

27 1758.66. A portable electronics insurance agent shall not sell
28 insurance pursuant to this article by unsolicited telephone calls or
29 otherwise unless, at the time of sale, or reasonably thereafter with
30 respect to a sale or enrollment occurring by telephone, all of the
31 following conditions are satisfied:

32 (a) The portable electronics insurance agent provides brochures
33 or other written materials to the prospective purchaser that do all
34 of the following:

35 (1) Summarize the material terms and conditions of coverage
36 offered, including the identity of the insurer.

37 (2) Describe the process for filing a claim, including a toll-free
38 telephone number to report a claim.

1 (3) Disclose any additional information on the price, benefits,
2 exclusions, conditions, or other limitations of those policies that
3 the commissioner may, by rule, prescribe.

4 (4) Provide the name, address, telephone number, and license
5 number of the licensee or the property ~~or~~ *and* casualty broker-agent
6 appointed by the insurer issuing portable electronics insurance
7 coverage to the licensee, as well as the department's toll-free
8 consumer hotline.

9 (b) The portable electronics insurance agent or its ~~employee or~~
10 ~~authorized representative~~ *endorsees* makes all of the following
11 disclosures, which shall be acknowledged in writing by the
12 purchaser, or displayed by clear and conspicuous signs that are
13 posted at every location where contracts are executed, such as the
14 counter where the purchaser signs the service agreement, or
15 provided in writing to the purchaser:

16 (1) That the purchase by the customer of the kinds of insurance
17 prescribed in this article is not required in order to purchase
18 portable electronics, accessories, or related services.

19 (2) That the insurance policies offered by the portable electronics
20 insurance agent may provide a duplication of coverage already
21 provided by other insurance policies covering the purchaser.

22 (3) That the ~~employee or authorized representative~~ *endorsee* of
23 the portable electronics insurance agent is not qualified or
24 authorized to evaluate the adequacy of the purchaser's existing
25 insurance coverages, unless that person is licensed pursuant to
26 Article 3 (commencing with Section 1631).

27 (4) That the customer may cancel the insurance at any time. If
28 the customer cancels any unearned premium will be refunded in
29 accordance with applicable law.

30 (c) The material terms and conditions of coverage are provided
31 to every person who elects to purchase that coverage.

32 (d) Costs for the insurance are separately itemized in any billing
33 statement for the insurance. However, if the ~~charge for portable~~
34 ~~electronics~~ coverage is included ~~in the cost associated~~ with the
35 purchase or lease of portable electronics or related services, the
36 vendor shall clearly and conspicuously disclose to the customer
37 that the ~~charge for coverage is included with the purchase of the~~
38 ~~portable electronics or related services includes the charge for~~
39 ~~coverage.~~

(e) The insurance is provided under an individual policy issued to the purchaser, or under a group or master policy issued to an organization licensed as a portable electronics insurance agent by an insurer authorized to transact the applicable kinds or types of insurance in this state.

SEC. 8. Section 1758.661 of the Insurance Code is amended to read:

1758.661. Charges for portable electronics insurance may be billed and collected by a portable electronics insurance agent licensee. A licensee shall not be required to ~~treat moneys collected from consumers purchasing insurance pursuant to this article as funds received in a fiduciary capacity if the insurer represented by~~ *maintain those funds in a segregated account if the insurer represented by the licensee has provided in writing that the funds need not be segregated from funds received by the portable electronics vendor on account of the sale or lease of portable electronics or related services or accessories. All funds received by a vendor from a customer for the sale of portable electronics insurance shall be considered funds held in trust by the vendor in a fiduciary capacity for the benefit of the insurer.* Licensees may receive compensation for billing and collection services.

SEC. 9. Section 1758.67 of the Insurance Code is amended to read:

1758.67. Under the authority of the portable electronics insurance agent license, a portable electronics insurance agent shall not do any of the following:

(a) Offer to sell insurance except in conjunction with, and incidental to, ~~the sale of business of selling portable electronics, their accessories, or the sale or provision of a related service.~~ *related services.*

(b) Advertise, represent, or otherwise portray itself or its ~~employees or authorized representatives as licensed endorsees as~~ *licensed* insurers or fire and casualty broker-agents.

(c) Pay ~~any employee or authorized representative any compensation, fee, or commission~~ *endorsee compensation* based primarily on the number of customers electing coverage under the portable electronics insurance agent's license. However, nothing in this code shall prohibit the payment of compensation to ~~employees and authorized representatives~~ *an endorsee* of a portable electronics insurance agent for activities under the agent's license

1 that is incidental to their overall compensation. *The incidental*
2 *compensation shall not exceed fifteen dollars (\$15) per customer*
3 *who purchases portable electronics insurance coverage.*

4 (d) *Unless lawfully transacting the business of insurance*
5 *pursuant to a certificate of authority issued pursuant to Section*
6 *700 for the appropriate class, a person obligated to perform under*
7 *a contract offered in or from this state that meets the definition of*
8 *portable electronics insurance as set forth in Section 1758.69 shall*
9 *be deemed to be unlawfully transacting the business of insurance*
10 *and shall be subject to subdivision (b) of Section 700 and Section*
11 *12921.8.*

12 SEC. 10. Section 1758.68 of the Insurance Code is amended
13 to read:

14 1758.68. Any insurer that provides insurance to be sold by an
15 organization licensed as a portable electronics insurance agent
16 shall file a copy of any individual policy issued to a purchaser, or
17 any policy or certificate issued under a group or master policy to
18 an organization licensed as a portable electronics insurance agent,
19 with the commissioner, who shall make that policy available to
20 the public.

21 SEC. 11. Section 1758.69 of the Insurance Code is amended
22 to read:

23 1758.69. As used in this article, the following definitions have
24 the following meanings:

25 (a) “Endorsee” means an unlicensed employee or authorized
26 representative of a portable electronics vendor.

27 (b) “Enrollment” means the process of soliciting or accepting
28 enrollments or applications from a consumer under a portable
29 electronics insurance policy, which includes informing the
30 consumer of the availability of coverage, preparing and delivery
31 of the certificate of insurance or notice of proposed insurance, or
32 otherwise assisting the consumer in making an informed decision
33 whether or not to elect to purchase portable electronics insurance.

34 (c) (1) “License period” means all of that two-year period
35 beginning as described in subparagraph (A) or (B) of paragraph
36 (2), as applicable, and ending the second succeeding year on the
37 last calendar day of the month in which the initial license was
38 issued.

39 (2) A license period shall be determined for each person as
40 follows:

1 (A) Upon initial licensing, the license period shall start on the
2 date the license is issued.

3 (B) For a subsequent license, the license period shall start on
4 the first day following the month in which the initial license was
5 issued.

6 (3) A license shall be renewed on or before the expiration date
7 of the license period.

8 (d) (1) "Portable electronics" means all of the following:

9 (A) Personal, self-contained, easily carried by an individual,
10 battery-operated electronic communication, viewing, listening,
11 recording, gaming, computing, or global positioning devices,
12 including cell or satellite phones, pagers, personal global
13 positioning satellite units, portable computers, portable audio
14 listening, video viewing or recording devices, digital cameras,
15 video camcorders, portable gaming systems, docking stations,
16 automatic answering devices, their accessories, and service related
17 to the use of those devices.

18 (B) Any other electronic device that is portable in nature that
19 the commissioner approves.

20 (2) "Portable electronics" does not include telecommunications
21 switching equipment, transmission wires, cell site transceiver
22 equipment, or other equipment and systems used by
23 telecommunications companies to provide telecommunications
24 service to consumers.

25 (e) (1) "Portable electronics insurance" means a contract
26 providing coverage for the repair or replacement of portable
27 electronics against any one or more of the following causes of
28 loss: loss, theft, mechanical failure, malfunction, damage, or other
29 applicable perils.

30 (2) "Portable electronics insurance" does not include any of
31 the following:

32 (A) A service contract governed by Article 4.5 (commencing
33 with Section 9855) of Chapter 20 of Division 3 of the Business and
34 Professions Code.

35 (B) A policy of insurance covering a seller's or a manufacturer's
36 obligations under a warranty.

37 (C) A homeowner's, renter's, private passenger automobile,
38 commercial multiperil, or similar policy.

1 (f) “Portable electronics insurance agent license” means an
2 agent license issued to an individual or organization for the
3 enrollment and sale of portable electronics insurance.

4 (g) “Portable electronics vendor” means any person in the
5 business, directly or indirectly, of selling, reselling, soliciting, or
6 leasing portable electronics, their accessories, and related services
7 to customers.

8 (a) “Enrollment” means the process of soliciting or accepting
9 enrollments or applications from a consumer under a portable
10 electronics insurance policy, which includes informing the
11 consumer of the availability of coverage, preparing and delivery
12 of the certificate of insurance or notice of proposed insurance, or
13 otherwise assisting the consumer in making an informed decision
14 whether or not to elect to purchase portable electronics insurance.

15 (b) (1) “License period” means all of that two-year period
16 beginning as described in subparagraph (A) or (B) of paragraph
17 (2), as applicable, and ending the second succeeding year on the
18 last calendar day of the month in which the initial license was
19 issued.

20 (2) A license period shall be determined for each person as
21 follows:

22 (A) Upon initial licensing, the license period shall start on the
23 date the license is issued.

24 (B) Subsequently, the license period shall start on the first day
25 following the month in which the initial license was issued.

26 (3) A license shall be renewed on or before the expiration date
27 of the license period.

28 (c) “Portable electronics” means electronic devices that are
29 portable in nature, and their accessories and services related to the
30 use of the device.

31 (d) (1) “Portable electronics insurance” means insurance
32 providing coverage for the repair or replacement of portable
33 electronics that may cover portable electronics against any one or
34 more of the following causes of loss: loss, theft, mechanical failure,
35 malfunction, damage, or other applicable perils.

36 (2) “Portable electronics insurance” does not include any of the
37 following:

38 (A) A service contract governed by Article 4.5 (commencing
39 with Section 9855) of Chapter 20 of Division 3 of the Business
40 and Professions Code.

1 ~~(B) A policy of insurance covering a seller's or manufacturer's~~
2 ~~obligations under a warranty.~~

3 ~~(C) A homeowner's, renter's, private passenger automobile,~~
4 ~~commercial multiperil, or similar insurance policy.~~

5 ~~(e) "Portable electronics insurance agent license" means an~~
6 ~~agent license issued to an individual or organization for the~~
7 ~~enrollment and sale of portable electronics insurance.~~

8 ~~(f) "Portable electronics vendor" means any person in the~~
9 ~~business, directly or indirectly, of selling, reselling, soliciting, or~~
10 ~~leasing portable electronics to customers.~~

11 SEC. 12. Section 1758.691 of the Insurance Code is amended
12 to read:

13 1758.691. Nothing in this article regulating the sale of portable
14 electronics insurance shall be construed to impair or impede the
15 application of any other law regulating the sale of portable
16 electronics insurance.

17 SEC. 13. Section 1758.692 of the Insurance Code is amended
18 to read:

19 1758.692. (a) Not less than 60 days before a permanent license
20 will expire, the commissioner may ~~use an electronic delivery~~
21 ~~method, including e-mail or other similar electronic method of~~
22 ~~delivery, to deliver, or may mail, to the latest e-mail or mailing~~
23 ~~mail, to the latest~~ address appearing on his or her records, an
24 application to the licensee to renew the license of a portable
25 electronics insurance agent for the appropriate succeeding license
26 term. It is the licensee's responsibility to renew, whether or not a
27 renewal notice is received.

28 (b) The commissioner may accept a late renewal without penalty,
29 provided that the licensee's failure to comply is due to a clerical
30 error or inadvertence.

31 (c) An application for renewal of a license may be filed on or
32 before the expiration date. An application for renewal of an expired
33 license may be filed after the expiration date and until that same
34 month and date of the next succeeding year.

35 (d) The commissioner shall impose a penalty fee equal to
36 one-half of the renewal fee for the portable electronics insurance
37 agent license ~~and any endorsees~~ for any renewal that is filed after
38 the expiration date of the license.

39 ~~SEC. 14. Section 1758.693 of the Insurance Code is repealed.~~

1 ~~SEC. 15.~~
2 *SEC. 14.* No reimbursement is required by this act pursuant to
3 Section 6 of Article XIII B of the California Constitution because
4 the only costs that may be incurred by a local agency or school
5 district will be incurred because this act creates a new crime or
6 infraction, eliminates a crime or infraction, or changes the penalty
7 for a crime or infraction, within the meaning of Section 17556 of
8 the Government Code, or changes the definition of a crime within
9 the meaning of Section 6 of Article XIII B of the California
10 Constitution.